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Obſervations upon the Conſtitution of the Company of the BANK *of ENGLAND, with a Narrative of ſome of their late Proceedings.*

THIS Company might be of continuance to Poſterity, and of very great uſe and benefit to the Kingdom and Government, were it ſetled upon juſt and equal Foundations, fenced by Impartial By-Laws; but being Founded in Diviſion without alteration, it will ſoon reſolve into a Faction for Private Advantage, and conſequently not of long duration, to the Prejudice of the Nation, whoſe Benefit will thereby be at an end; for as Union is the Life of Government, ſo Diviſion is Mortal to it.

The Company, according to their Printed Liſt, conſiſts of above 1200 Members.

Inſtead of making Vertue and Merit the Qualifications for Employment, of which the Community are the beſt Judges, theſe 1200 are divided by their Stocks under five ſeveral Qualifications (to wit) thoſe of 4000. 3000. 2000. 500. and under 500 Stock.

Out of the Firſt, which is in Number about Fifty, the Ghoice of the Governour is confined.

Out of the Second, which is in Number about Sixteen, the Deputy may be choſen, but is not capable of Election thereunto under 3000 *l.* Stock.

Out of the Third, which is in Number about 100, may be choſe 24 Directors, who being added to the Governour and Deputy, is called the Court of Directors, in whom Thirteen being a *Quorum*, is the ſole Management of all the Concerns of the Company; and having engroſſed to themſelves the Choice of all Officers, with their Rewards or Sallaries, do thereby render ſo ſmall a Number ſubject to the Temptation of Corruption.

This Court meets once a Week, and then chuſeth a Sub-Committee of Five out of themſelves for the Week following, Three thereof being the *Quorum*.

The Fourth Qualification, which is in Number about 600, they being joyned to the three firſt Qualifications, are called a General Court, and allowed Votes in the Choice of Governour, Deputy, and Directors, and colourably to give Sanction to what elſe the Directors pleaſe to bring before them; which Priviledge to the 600 ſignifies little, in that the three firſt Qualifications conſiſting of above 150, holding altogether, as chiefly concerned, and being diligent in their Appearance; this together with their Authority from having the diſpoſing of Places of Profit, will be always an over-balance for the reſt; for many of the 600 thinking little better of themſelves than by-ſtanders, will be careleſs in appearing at General Courts.

The Fifth Qualification, to the Number of near 450, are diſqualified ſo much as to any Vote in that called the General Court, but yet qualified and made liable according to their Stocks for the Debts and Damages of the Company, contracted by Miſmanagement or otherwiſe, which ſeems to be againſt Common Juſtice and Equity, that they ſhould be made liable to Actions for Debts, which they could not have any hand in contracting.

Thus of above 1200 Members, there are by the preſent Practice no more than about 150 made capable of any Truſt in the Management of 2400000 *l.* or more, there being about 450 Members diſabled as to Voting in the General Court,

Court, to the end to Engroſs the Management of all into a few Hands, for their Particular Advantage.

The Directors were pleaſed to call a General Court to chuſe a Committee to prepare By-Laws, which was compoſed of both Parties (*i. e.*) of the 150 and 600, for under theſe Denominations I underſtand all having Votes in the Company.

Some of the firſt were very troubleſome in the Committee, as byaſſed in the promoting the Private Intereſt of the Directors, telling the Committee, they muſt not diſpleaſe them, and refuſing to be ſatisfied except they could have their Wills in behalf of the Directors (as in oppoſing the Yearly falling off of Eight Directors), which ſpent four or five days in Debating, Voting, and, as was thought, the Settling thereof, before ſome would acquieſce; endeavouring in that time by Private Sollicitations to make a Party againſt Falling off, and never gave over their ſtruggle about it, till One in behalf of the Directors undertaking to anſwer all the Reaſons for Falling off, was after he had done, told by a Member of the greateſt Authority in the Committee, that he had not anſwered any one of the Reaſons; that then they were Publickly ſilent, but ever after laboured Privately the obtaining their Ends by the General Court, when the Matter ſhould come to them for Confirmation.

A General Court was ſummoned for Confirmation of the By-Laws; but before the entring upon the Work of the Day, it was moved, That the Court might conſiſt of all their Members, as well of thoſe under 500 Stock, as above, and that for theſe Reaſons.

Firſt, becauſe all and every Subſcriber and Contributor is by Act of Parliament Incorporated by the Name of Governour and Company of the Bank of *England*, and that who the Parliament had made Free, the Court could not Diſfranchiſe.

Secondly, becauſe the Act of Parliament makes all and every Subſcriber and Contributor lyable to the Debts and Damages of the Company, which is not to be ſuppoſed the Parliament intended by ſuch as they thought good to Diſfranchiſe; for an Act making thoſe lyable to Debts that could not have any hand in contracting them, ſeems to be againſt common Juſtice and Equity, which cannot be imagined the Parliament would be guilty of.

Againſt theſe Reaſons, the King's Commiſſion and Charter were urged, and that they had the Opinion of Council for them in it. To which, with all due Reſpect to the King's Charter, *&c.* it was replyed, That the King in his Laws ſpeaks the Wiſdom of the Nation, and by his Charters the Dictates of thoſe that ſue for them, which may be Selfiſh, for Private Intereſt; and therefore deſired that Council might be Publickly heard; for when Subjects have publiſhed Acts for their Guides, they have no reaſon to forſake them for unpubliſhed and ſubſequent Charters, *&c.* But the Motion for making the General Court to conſiſt of all their Members, and hearing Council upon it, was not hearkened unto; however I ſuppoſe this is ſufficient in Anſwer to their alledged Charter, *&c.* For though the Act, *pag.* 344. gives the King Power by his Patent to appoint Circumſtantial Rules, inſtancing, as an Example, for Transferring and Aſſigning the Intereſt of Particular Perſons, yet it is obſervable, that the Incorporating Clauſe in *pag.* 344. as well as the Clauſe relating thereunto in *pag.* 350. & 351. follows the Clauſe for Circumſtantial Rules, and do not give the King Power of deſtroying Eſſentials, as in Disfranchiſing thoſe the Statute hath made Free.

The By-Law, making it unlawful for the Governour or Deputy to continue above two Years ſucceſſively, had not the leaſt Oppoſition in the Committee, nor was

was ever ſpoke againſt by any one Member thereof; but becauſe that in ſome meaſure did diſagree with the not falling off of Eight Directors, in that if the Governour and Deputy fall off in two Years, why not eight Directors yearly? The General Court was prepared (though never mentioned before) to except againſt that By-Law, when it ſhould be made uſe of as a Preſident for the other.

The great Induſtry of the Directors Friends in the Committee for preventing the Law for falling off, and after their not prevailing therein, their getting it rejected by the General Court, makes it neceſſary for the Vindication of the Committee, to Publiſh the Reaſons moving them to do what they did, and to leave the Judgment thereof to all unbyaſſed Perſons. Which Reaſons are as followeth:

Firſt, Becauſe it is the undoubted Intereſt of the Company, to make as many of their Members as they can qualified for the Service of the Corporation, and not be confined to a few.

Secondly, Becauſe it will beget an Emulation in the Directors to ſignalize their Serviceableneſs to the Company, when their Continuance will depend thereupon.

Thirdly, Becauſe ſhould the Directors agree together to Vote for each other, and engage their Friends to do the ſame, they may in a little time make the Directorſhip an Office for Life, and then think themſelves the Company's Maſters, as being the only Perſons neceſſary for their Service, and conſequently expect unreaſonable Rewards, as one of them in Coffee-Houſes began betimes to expreſs himſelf therein.

Fourthly, Becauſe without ſome ſuch Method as this for changing the Directors by a Rotation, their Friends may be apt to tell you, you cannot lay them aſide without ungratefully Affronting them, as perhaps they will miſcall it.

Fifthly, Becauſe it will probably preſerve in the Directors a due Reſpect to the Community, and prevent their Lording it over their Fellow-Members, of which they have already given reaſon to be Jealous; for when upon their Diſſatisfaction the Committee did one day Aſſemble on purpoſe to hear their Exceptions to what was then before them; and when the Committee was prepared to receive the Directors with all Reſpect, they broke up and went away before their uſual time, and that without the leaſt Excuſe for ſuch their ſcornful Diſappointment, as if the Committee were their Vaſſals, and owed all their time to them; and one of them aſſumes in Print an Addition, in no kind belonging to him otherwiſe than as preſuming a perpetual Directorſhip will give him a Right thereunto.

During the ſeveral days Debate about falling off, it was by the Directors Friends inſiſted upon,

First, That it was againſt their Liberty, to reſtrain them in their Election, though they know the Conſtitution is a Reſtraint of $\frac{4}{5}$ Parts, confining them in their Choice of their chief Officers to leſs than $\frac{1}{5}$ Part, of which had they conſidered, they could not have made this Complaint: Beſides, thoſe that know any thing of Government, know that nothing is more ordinary than ſuch Rotations; and the ſame is alſo practiſed by our *Eaſt-India* and *African* Companies.

Secondly, That the Committee was not to diſpleaſe the Directors, telling them ſometimes, that they were angry with the Proceedings of the Committee, as if they had been only the Directors Journey-Men, not at Liberty to act their Conſcience in behalf of above 1200 Members, rather than the particular Private Intereſt of 24 Directors: But I do not think they were all guilty of this

this Bandying, but that it proceeded mainly from those of leſt Merit, as being Jealous of their own Deſerts.

The foregoing Reaſons were offered to the General Court, which after ſome Oppoſition by the Directors Friends, as not coming to them by Order of the Committee, were read, and without taking any of them into Debate, the Directors (contrary to common Equity) not withdrawing in a Matter concerning themſelves (though demanded) their Preſence had that Influence, even upon thoſe who applauded the Reaſons whilſt reading, that when put to the Vote, whether the By-Law for Yearly falling off of eight Directors ſhould be rejected, they durſt not, or at leaſt thought it not Prudence ſo far to offend the Directors, as to give their Vote in the Negative; and according to the preſent Practice, the Directors being in no danger of change, and having it in their Power to gratifie their Creatures by Places and Sallaries, will be always able to carry in the General Court whatever they pleaſe; and prevent the making any By-Laws, though never ſo Advantagious for the Publick, if Prejudicial to their Private Intereſt. But I would not be underſtood by any thing here ſaid, to Reflect upon the Directors in general; for it muſt be confeſſed, that ſome of them are Perſons of very great Worth, and of more Honourable Principles, than to be guilty of the Selfiſh Complaints the Committee was forced to encounter.

And now upon the whole, whether this Conſtitution excluding for Private Ends near 450 Members all manner of ſhare in the Government, and yet make them lyable to the Debts and Damages of the Company, which (of above 1200 Members) renders all ſave about 150 uncapable of any Truſt; which gives the ſole Management of 2400000 *l.* or more, and the choice of Officers, with their Sallaries, to the Court of Directors, ought not to be altered? As alſo whether the Conſtitution is more equal and juſt than when reſtrained, ought not to be laid open to every Subſcriber and Contributor, according to Act of Parliament, without other Qualifications than Vertue and Merit, leaving the Judgment thereof to the Community, who are generally the moſt Impartial Judges, as appears by the City's Elections, which never or rarely failed of a Vertuous Choice, when Arbitrary and Tyrannical Deſigns and Arts do not interpoſe. For though Subſtance may be Security to Private Creditors, nothing leſs than Integrity, Honeſty, and Self-denyal can be ſuch to Government, and the true Intereſt of a Community. Wit and Senſe are neceſſary Qualifications in the Management of Humane Affairs, but without Honeſty they are the more dangerous and miſchievous.

I believe this Conſtitution, as it is now ſetled, is an Original not beholding to any Preſident whatſoever. And thus I leave all to the Judgment of the Reader, and thoſe whom it may concern, whether any have Reaſon to value themſelves upon being the Projectors of a Conſtitution ſo unjuſt in reference to near 450, and unequal to above 3 Parts of the whole Body, or no.

FINIS.